

HOUSE BILL NO. 762
INTRODUCED BY J. BRUEGGEMAN

A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING THE CREATION OF STATE DEBT THROUGH THE ISSUANCE OF GENERAL OBLIGATION BONDS; APPROPRIATING THE PROCEEDS OF THE BONDS FOR THE POINTS REPLACEMENT INFORMATION TECHNOLOGY PROJECT FOR THE BIENNIUM ENDING JUNE 30, 2005; PROVIDING FOR DEBT SERVICE PAYMENTS FROM THE GENERAL FUND; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1. Authorization of bonds.** (1) Upon request of the committee pursuant to subsection (3), the board of examiners may issue and sell general obligation technology bonds in an amount not exceeding \$17.1 million for the information technology project described in [section 2] over and above the amount of general obligation bonds outstanding on January 1, 2003. The bonds must be issued in accordance with Title 17, chapter 5, part 8. The bonds authorized by this section for the purchase of software, software licensing, personal services, and contract services must mature within 7 years from their date of issue. The bonds authorized by this section for the purchase of equipment and operating software must mature no later than 4 years from their date of issue. The authority granted to the board by this section is in addition to any other authorization to the board to issue and sell general obligation bonds.

(2) It is the intent of the 58th legislature that the annual debt service payments of the bonds authorized in subsection (1) be paid from the general fund.

(3) Bonds may not be issued until authorized by a committee consisting of the director of revenue, the commissioner of labor and industry, and the chief information officer.

NEW SECTION. **Section 2. Appropriation of bond proceeds -- approval of information technology project.** (1) Upon the sale of general obligation bonds by the board of examiners, \$17.1 million of bond proceeds are appropriated from the capital projects fund to the department of administration for the POINTS replacement information technology project at the department of revenue for the biennium ending June 30, 2005.

(2) The department of revenue and the department of labor and industry may proceed with the planning, design, and development portions of the information technology project authorized in subsection (1) before the

receipt of bond proceeds. The department of revenue and the department of labor and industry may use interaccount loans pursuant to 17-2-107 to pay planning, design, and development costs, including personal services costs, incurred before receipt of the proceeds.

(3) Bond proceeds appropriated under this section may be expended for information technology project administration and implementation, including software and required hardware, software licensing, personal services, and contracted services.

(4) As used in this section, "information technology project" means the planning, design, development, acquisition, installation, or integration of software and required hardware to provide for upgraded and integrated state management information systems.

NEW SECTION. **Section 3. Two-thirds vote.** Because [section 1] authorizes the creation of state debt, Article VIII, section 8, of the Montana constitution requires a vote of two-thirds of the members of each house of the legislature for passage.

NEW SECTION. **Section 4. Severability.** If a part of [this act] is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

NEW SECTION. **Section 5. Effective date.** [This act] is effective on passage and approval.

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